



Daily Report

West Europe

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EU: Commissioner De Silguy Warns Against EMU Failure

AU1903130496 Berlin DIE WELT in German
18 Mar 96 p 12

[Interview with EU Commissioner Yves-Thibault de Silguy by Christian von Hiller; place and date not given: "Europe Must Not Disintegrate"]

[FBIS Translated Text] [Von Hiller] Mr. De Silguy, the EU countries are striving for European Economic and Monetary Union [EMU], but Europe is a long way from political unity. Can EMU succeed?

[De Silguy] Indeed we are faced with a problem, but we are working on a solution. On the one hand, we are going to have the Central European Bank, which is a Bundesbank subsidiary and will presumably possess even greater significance. Its task will be to safeguard a stable level of prices. On the other hand, a coherent economic bond between the EU countries is important. If we are to go over to EMU, we must apply the convergence criteria strictly. Our national economies will converge.

[Von Hiller] The EMU schedule is very tight. Must it be extended because the technical preparations are taking too much time?

[De Silguy] If anyone wanted to alter the date, he would have to alter the entire treaty. That would mean renegotiating the entire Maastricht Treaty. As soon as one country wants to alter the date, two or three other countries might suddenly want to alter the criteria. The date cannot be postponed. Of course there are problems, but these are technical problems that can be solved, well, technically.

[Von Hiller] In a few weeks, you want to present your proposal for a European stability pact. What will it look like?

[De Silguy] We are still discussing it. But one thing is sure. The highlights of this pact correspond to Mr. Waigel's ideas very closely.

[Von Hiller] What if an EMU member country fails to keep its finances under control?

[De Silguy] We must make sure that no budgetary or economic slips can occur among the member countries. If they do, the EMU treaty envisages various instruments. Now we must implement Waigel's stability pact and make sure this system works. We are still considering this, and will submit our proposal at the finance ministers' conference in Verona on 12 April.

[Von Hiller] What will this proposal look like?

[De Silguy] We have already agreed that the budget deficits must be reduced. At the Cannes summit last year, the heads of state and government agreed to eliminate budget deficits by the end of the millennium. There are already a few security measures. For insurance, governments cannot overcome their budget deficits by printing extra money. In addition, Article 104 envisages fines if a government violates financial discipline.

[Von Hiller] Do you really believe in the deterrent effect of the fines? That reminds one of the mayor who punishes beggars by fining them.

[De Silguy] No, no. Here we are not dealing with beggars. That is why it is so important to make sure the convergence criteria are adhered to strictly.

[Von Hiller] With a budget deficit of 3.6 percent, Germany would have to pay a fine of 8 billion marks [DM].

[De Silguy] The amount of the fines has not been decided yet, but they are envisaged in the treaty. The point is that the fines must be realistic and effective.

[Von Hiller] Nevertheless, DM8 billion would have to be paid on top of the DM60 billion in new debts.

[De Silguy] Eight billion is a considerable sum. But the problem lies elsewhere. We must find a way for the council of finance ministers to better coordinate the economic policy of the member countries. First, it will lay down the economic framework for all 15 member countries. Then, each member country will submit a stability plan and demonstrate how it intends to keep within this framework. This will have to be approved by the Council. The Council will then monitor the implementation of the stability plans and sound the alarm as soon as a country is on the verge of exceeding the framework.

[Von Hiller] How do you intend to make sure that each government can actually implement its own framework by political means?

[De Silguy] This is where political union comes in. It is very important. All the measures to be taken by an EMU member have a direct impact on domestic politics. If a government has to raise taxes or cut spending, it incurs a political risk which it then has to explain to public opinion. The fact that the finance ministers laid down economic policy together and in close cooperation with each other constitutes the very essence of political union.

[Von Hiller] Even so, as long as the EU is not a genuine political union, there are doubts as to whether these consultations will lead to a stable currency.

[De Silguy] But with these consultations we are getting very close to a political union. I think the political union must first of all encompass the EMU. EMU is to strengthen the EU's economic pillars for the sake of greater coherence and economic-political harmony between the member countries. This is not the whole of political union, but it is one form thereof.

[Von Hiller] The prosperous member countries will then have to make transfer payments to the less prosperous ones?

[De Silguy]. No, that would mean having to transfer the national budgets to the EU, and that would be quite unrealistic. It cannot be Brussels' task to tell a country where to cut spending — in defense, or public services, or social security. This decision must be reached by each member country alone.

[Von Hiller] In your proposed stability pact, do you intend to adhere to the convergence criteria laid down in Maastricht? There is a risk that these criteria might send out false signals and that countries might be excluded from EMU membership even though they qualify.

[De Silguy] Naturally one can pause to consider whether the convergence criteria are the best possible ones, but we should not attempt to rewrite history. The Maastricht treaty is a balance that was reached only after two years of talks. If we now try to adjust the balance, the entire mechanism could be called into question. That would be bad, especially because the criteria conform to the rules of healthy budget policy and have been accepted as such by the populations of all the countries and by financial markets.

[Von Hiller] Countries like Italy risk being disqualified from EMU because the weak lira is causing problems for the German economy. Would a small EMU, consisting of just a few countries, make any sense?

[De Silguy] I do not want to indulge in a game of guessing who will belong to EMU and who will not. But we must prevent Europe from disintegrating into two parts when we go over to EMU. That would contradict the principle of European unity, and would also be bad for the internal market, especially for a strong exporting country like Germany that depends on European markets.

[Von Hiller] How do you intend to stop this disintegration?

[De Silguy] We must set up a system that guarantees a higher level of stability to all those countries that do not join EMU straightway. This is a problem of the "ins" and "outs," whereby I prefer to speak of "ins" and "pre-ins" because all EU members should be candidates

for EMU membership. This system should offer stable exchange rates and, at the same time, bring the "pre-ins" closer to EMU. This system must be incorporated in the community, and this is where the European Central Bank is going to play a major role.

[Von Hiller] Experience with the European Monetary System [EMS] has shown that firm plans are not immune to speculation.

[De Silguy] That is correct. However, this time we have a completely new framework. Before, we had the EMS, period. This time we have EMU centered on the Euro, a stable currency administered by a strong central bank and pegged to EMU II. Thus, the Euro will be a strong anchor currency for EMU II. But I repeat. For this to work, economic policy in Europe must be convergent. That is an absolute prerequisite if we want to overcome the instability of exchange rates.

[Von Hiller] Does EMU have greater political advantages or greater economic advantages?

[De Silguy] Both. It is an economic project, because it brings us many economic benefits, especially to the German economy. But it is also a political project. If we gave up EMU, the political costs would be enormous. We would risk a fragmentation of European markets and politics. There would be a danger of Europe reorganizing itself into coalitions of individual countries. EMU is the best project we can offer Europeans.

EU: Haensch on European Parliament's Role

BR1803120296 Copenhagen INFORMATION
in Danish 15 Mar 96 p 3

[Report by Jens Reiermann "Haensch: National Monitoring of EU Impossible"]

[FBIS Translated Text] Strasbourg — National parliaments in the EU countries cannot review EU legislation, this will be done by the European Parliament, European Parliament President Klaus Haensch said.

"The EU countries' national parliaments cannot review large areas of EU legislation, where decisions are taken by a majority. Here the European Parliament must be able to take part in the decisionmaking process along with the EU Commission," the president of the European Parliament, German Social Democrat Klaus Haensch, said yesterday at a meeting with Danish journalists in Strasbourg.

Haensch calls for a division of labor between national parliaments and the European Parliament.

"All fundamental decisions must be made by the national parliaments. This applies to amendments to the

EU treaty or in cases where the EU is to encompass new areas. But it is the European Parliament which must monitor the EU Commission," Haensch said.

Must Learn From Mistakes

On Wednesday [13 March] the European Parliament adopted a statement on the EU's Intergovernmental Conference in which for the first time the parliament refrains from demanding the right for itself to put forward proposals for EU legislation. Today only the EU Commission has this right.

"The European Parliament does not function in the same way as a national parliament and should not do so either. We will not have the right to submit proposals for EU legislation, because then we would not be able to reject the idea that the EU Council of Ministers should have the same right. And that is something we do not want. The European Parliament has more influence on the EU Commission than on the EU Council of Ministers," Haensch said.

At their meeting in Palermo last weekend the foreign ministers of the EU countries decided to grant the European Parliament the right to have two observers present during the negotiations at the Intergovernmental Conference.

"It is the governments which will negotiate the treaty, but we must learn from the mistakes we made when preparing the Maastricht Treaty and be more open in our preparations. Here the involvement of members of the European Parliament could be an important step," Haensch said.

Wants More Confidence

The German Social Democrat rejects the suggestion that as a result of the foreign ministers' decision the European Parliament will have no tasks of any importance while the Intergovernmental Conference is working. Haensch cited the ongoing work on EU legislation which has assumed steadily greater importance during his term as president of the European Parliament. This has been one phase of the Haensch Plan, by means of which Haensch — in the same way as Erling Olsen, president of the Folketing — has tried to make the parliamentarians' work more effective and to strengthen it. The objective is both that elected members of the European Parliament concentrate their work on EU legislation, and that the parliament's service to politicians should work better.

"We must create more self-confidence about our work. We should not therefore be passing resolutions about all manner of things. There has been a lot of this type of resolution, but we must have fewer. We must concen-

trate our energies in areas where we have influence," Haensch said.

Internally the European Parliament functions in the same way as it did before the ratification of the Maastricht Treaty when the parliament had only minimal influence on EU legislation in the form of hearings.

Like Erling Olsen, Haensch wants to boost parliamentarians' levels of knowledge. This will be accomplished by offering quick access to information from national parliaments and from various EU institutions.

EU Parliamentarians Discuss Future of EU

AU1803152596 Vienna DER STANDARD in German
18 Mar 96 p 2

[Report by Christoph Winder: "The EU Is No Supermarket"]

[FBIS Translated Text] Vienna — Parliamentarians from 10 EU states and 10 potential Central and Eastern European candidate member-states met in Vienna over the weekend [16-17 March] to discuss the role of national parliaments and the European Parliament [EP] regarding European integration and enlargement.

The meeting, which took place two weeks prior to the beginning of the EU Intergovernmental Conference in Turin, and which naturally also discussed more general considerations on the EU's future, was also attended by a number of political scientists who are organized in the "Trans-European Policy Studies Association" (TEPSA). Nationalrat President Heinz Fischer stressed in his opening statement that access to the EU did not necessarily harm national parliaments. The example of Austria shows that the parliament was compensated for a "relative loss of responsibilities" by a "relative gain in image and information."

Klaus Haensch, president of the EP, recommended that EU candidate members resolutely tackle this task. The EU is "no supermarket" that can be entered as a test and then exited again. "Accession is a decision of the century. If you do not have broad consensus, I advise you to stay out."

Haensch also admonished the EU states themselves, indicating that they should increase their "capacity" for new candidates and push organizational preparations for their accession. In this respect, Haensch was optimistic: "The conference of Turin will be a success because its participants are doomed to success." If the conference were to fail, Europeans would see themselves driven back into the role of onlookers who must watch "U.S. television programs on Japanese television sets."

In a final joint statement, Fischer and Haensch confirmed that they advocated the enlargement of the EU and the development of a common foreign and security policy. This does not primarily mean that "all EU states should be allied in a military alliance, but the EU's common foreign policy interests should be defined clearly." Monetary Union, too, is an "indispensable political symbol" of the integration process.

Both presidents also criticized the fact that, judging by the current state of affairs, the EP will not be involved in the Turin conference. As the EP was involved in the preparatory work for the "Reflexion Group" in 1995, "it would be only consistent to grant it the role of observer in Turin."

EU's Fischler on WEU, Defense, Austrian Neutrality

AU1803103596 Salzburg SALZBURGER
NACHRICHTEN in German 16 Mar 96 p.3

[Interview with EU Commissioner Franz Fischler by Sylvia Woergetter; place and date not given: "EU Blessing for Highway Toll"]

[FBIS Translated Excerpt] [Woergetter] In Austria one can see increasing skepticism about Europe among the people.

[Fischler] Yes, this is true. I also see that. I believe the main reason is the fact that those who have a positive attitude toward the EU have left arguing to the skeptics and the critics for more than a year and have not spoken out on one single time. The second problem that I see is the fact that a lot of capital has been gambled away with quarrels about who signs which treaty and similar things. The third problem that I see is the fact that frustration has perhaps developed because the positive things did not come with the speed that some people might have expected. This is also a problem of patience.

[Woergetter] Responsibility for EU matters remains divided between the chancellor and the vice chancellor also in the new government. Might this lead to problems?

[Fischler] Brussels is not worrying about that, because this is each member country's very own business. The decisive thing is that agreement is reached at home to such an extent that one voice is heard in Brussels.

[Woergetter] Are we speaking with one voice in Brussels?

[Fischler] Well, I would say that there were certain difficulties at the beginning, but things have improved considerably.

[Woergetter] What kind of reputation do we Austrians have in Brussels?

[Fischler] Austrians, at least, are basically considered rather open and friendly people, people with whom you can talk, who are not stubborn. The second thing is that we are still considered a real cultural power. When the Mozarteum Orchestra under director Harnoncourt gives a concert in Brussels, all of Brussels talks about Austria. And then a very large number of people know Austria because they once were there on vacations. [passage omitted]

[Woergetter] How do neutrality and EU security policy go together?

[Fischler] The first goal must be the best possible concept for Austria's external security. Then one must ask how this can be achieved. Therefore, it is relatively logical that, given today's threat scenarios, one can achieve more through international security. The course has been set for that in the EU. However, it is tragic that the WEU (Western European Union) has been a lame duck so far, a paper tiger without teeth. Therefore, I believe that at the moment it is not the most important thing to discuss the abolition of neutrality. This should be done when the decision becomes necessary. One must explain to the people that a European defense union means the solidarity of 14 countries, which support us in case of conflict. Then the decision is easier. I can expressly welcome the things set down by the new government in this connection. This is precisely the way one makes progress.

[Woergetter] Will neutrality become obsolete if the WEU develops from a paper tiger into an effective instrument?

[Fischler] If we are a member or participate in the work there, then we will no longer be neutral in the classical sense; we must be aware of that.

[Woergetter] Then neutrality will be up for disposition?

[Fischler] Yes, but we have not yet come that far. We will see what the EU government conference in Torino will bring in this connection.

UK: Adams Article Discusses Peace Process

MS1803143896 Dublin *THE IRISH TIMES* in English
14 Mar 96 p 12

[Article by Sinn Fein President Gerry Adams: "Specific, Unconditional Guarantees Now Needed to Rebuild Peace Process"]

[FBIS Transcribed Text] The collapse on Friday February 9th of the 18-month-long IRA cessation was a tragic development. It need not have happened. It was not inevitable. The reality is that the potential for a negotiated peace settlement created 18 months ago was not grasped.

It was the absence of an effective political means of bringing about the political changes necessary to remove the causes of conflict and to secure a lasting peace the inability even to bring the British government and the unionists to the negotiating table which caused the reoccurrence of conflict.

It is important therefore to revisit the basis on which the IRA cessation was achieved 18 months ago to understand clearly how we can re-create the potential and to ensure that if it is recreated it is acted upon.

The IRA decision to call a complete cessation of its military activity was largely based on the assessment given by the Sinn Fein leadership and our view that an overall political package had been developed which, if acted upon in good faith, had the potential to bring about the political and constitutional changes necessary to resolve the conflict. In effect, an alternative to the IRA campaign.

Over a period of years an intensive and unprecedented dialogue had been developed within Irish nationalist opinion in its broad sense. It was a dialogue which required courage, imagination and a new approach on all sides, not least on the part of the then Taoiseach, Albert Reynolds, and the SDLP [Social Democratic Labour Party] leader John Hume, who, despite intense opposition, turned their backs on the failed policy of isolation and took the risk required in the building of the Irish peace process.

An alternative strategy to bring about political and constitutional change was developed in dialogue, initially between myself and John Hume, and then with the Irish government and with key elements of Irish-American opinion. This political approach involved a democratic consensus to deal with the causes of conflict in the context of a number of clearly defined democratic principles.

From Sinn Fein's perspective these principles are:

- a) Peace, to be sustained, must be based on a just and lasting negotiated settlement.
- b) Partition has failed.
- c) Present structures are therefore inadequate to sustain peace and must be changed.
- d) An internal settlement is not a solution.
- e) Partition and the British jurisdiction breach the principle of national self-determination.
- f) The Irish people as a whole have an absolute right to national self-determination and must be able to exercise this right freely and without external impediment.
- g) The exercise of the right to national self-determination is a matter of agreement between the Irish people alone.
- h) It is for the Irish and British governments, in consultation with all parties, to co-operate to bring this about in the shortest time possible and to legislate accordingly.
- i) The unionists can have no veto over the discussions involved in this, nor over the outcome of these discussions. There is a need to engage Northern unionist and Protestant opinion on the democratic principle of national self-determination, assure them of full commitment to their civil and religious rights and to persuade them of the need for their participation in building an Irish society based on equality and national reconciliation.
- j) A solution — a negotiated settlement — requires change, political and constitutional. The effect of this change would be to bring about the exercise by the Irish people of our right to national self-determination.
- k) An agreed unitary and independent Ireland is the option desired by us.
- l) An agreed Ireland is only achievable and viable if it can earn and enjoy the allegiance of the different traditions on this island by accommodating diversity and providing national reconciliation.

There were and are, of course well-documented differences of opinion on how a number of these principles are interpreted or on how they would be applied in practical terms. But notwithstanding these differences there was sufficient commonality of view on these political principles to allow us to move forward.

The Irish Government assured us that it would work in close harmony and consultation with the representatives of the northern nationalist community at all times and it was accepted that in the context of an IRA cessation

through a peace process of consultation and dialogue, we would collectively seek to advance these common positions in any negotiations so as to build a solid and democratic basis for a negotiated peace settlement.

We also agreed on the need to address a number of areas of immediate and practical concerns of northern nationalists. These would include:

- Equality of opportunity in employment.
- Equality of treatment of Irish culture and identity.
- Equality of treatment of elected representatives.
- Proper security provision for all citizens according to their need.
- Equality in the provision of education, particularly through the medium of Irish.
- Equality of treatment in economic development.

The consensus position was that there could be no return to unionist domination and that there must be parity of esteem, equality of opportunity and equality of treatment for the aspirations, values and identities of both communities, not only at an abstract level but in real immediate and practical terms. These principles would have to apply across the political, cultural, economic, social, legal and security spectrum.

In short, therefore, there was a commitment in the context of a real negotiation to present the British government and the unionists with an agreed Irish democratic agenda. As I have outlined publicly, Sinn Fein characterised this agenda as:

- a) Constitutional change — new political arrangements and structures which would be acceptable to and accommodate all the Irish people.
- b) Democratic rights — issues of equality and justice which continue to affect the nationalists in the north.
- c) Demilitarisation — involving the removal of the apparatus of war and the release of prisoners, north and south.

A determined approach to these three areas by the breadth of Irish nationalist political opinion, would, it is argued, represent a viable and effective approach to conflict resolution on the Irish side.

Against the background of intensive private dialogue, the British and Irish governments agreed to the text of the Downing Street Declaration. Despite our profound reservations about the overall content of this document and our publicly stated disagreement with many ele-

ments of it, the declaration did contain a clear commitment by the British and Irish governments to initiate inclusive dialogue as a means to a new political settlement among the Irish people and furthermore, the British government also gave a commitment that it would encourage, facilitate and enable this agreement. These commitments were repeated frequently over the ensuing nine months.

In May 1994 John Major told a press conference, "There is an opportunity for him (Gerry Adams) to give up violence and then in a short while enter the constitutional talks".

The British government claimed that any response by it to an end of violence would be "imaginative" and "generous" and "flexible". The public commitment by both governments to commence the negotiations which, without preconditions, vetoes or any attempt to predetermine the outcome, would address all relevant issues represented the second element in an overall political package. In the context of a good faith engagement, this contained, in our view, the potential to resolve the conflict on the basis of justice and democracy.

With a clear commitment by all the major political players to proactively pursue a new, negotiated and democratic political arrangement, and a publicly given commitment by the British government to convene with the Irish government the necessary peace talks to achieve agreement, the Sinn Fein leadership gave an assessment to the IRA leadership of the prospects for a lasting political settlement.

It was on this basis of clearly stated commitments and agreements that the IRA announced a complete cessation of military operations on August 31st, 1994.

The reality, however, of the British response to the IRA's historic decision was very different. In the 18 months following the IRA cessation political movement was glacial. The British attitude was best summed up as minimalist and begrudging.

At the heart of Britain's refusal to engage with the peace process was a fear of constitutional and political change, as well as a resistance to the necessary improvements in democratic rights and the eradication of discrimination and inequality. The peace process contained that potential.

The British government, frightened of fundamental change and wedded to the failed policies of the past, avoided change by not engaging in the process.

The imperative of British policy became the erection of obstacles and the slowing down of the peace process to the point that it was fatally undermined Patrick Mayhew.

in an unguarded moment, admitted John Major was treating the peace process like a bicycle, merely keeping it upright without falling off. Crucial to this British approach was the continued exclusion of Sinn Fein and our electorate. Sinn Fein was to be, and continues to be, treated as a second-class party and our electorate as second-class citizens.

It was, in fact, December 9th 1994, over three months after the IRA announcement before the first meeting took place between Sinn Fein and British officials.

The Sinn Fein delegation welcomed the reopening of bilateral discussions with the British and urged speedy progress into inclusive all-party negotiations, without preconditions. Over five meetings we presented the officials with three written papers and raised such confidence-building matters as the release of prisoners and the need for a comprehensive demilitarisation.

At the end of that time the British government was still refusing to bring a British government minister into the meeting.

The British then created a bogus argument around the word "demilitarisation", refusing to accept it on agenda for discussions.

This was despite "demilitarisation" having been raised in two of the three papers Sinn Fein presented at the Stormont talks, it was discussed at all of the five meetings and was an item on the agenda of the January 16th meeting.

Then in March Patrick Mayhew introduced as a new precondition to all-party talks his government's demand for an IRA surrender of weapons. The prevarication on ministerial meetings continued through March and most of April. The British announced the commencement of ministerial bilateral meetings with all of the parties except Sinn Fein. Meetings with Sinn Fein were kept to officials.

The British government was widely criticised for introducing what was effectively a two-tier political process which discriminated against Sinn Fein. It was not until May 10th, more than eight months into the IRA cessation, that the British government agreed to allow a government Minister to meet Sinn Fein.

Two weeks later, on May 24th the British Secretary of State Patrick Mayhew, was elbowed with evident reluctance, into a meeting with me at President Clinton's Economic Conference in Washington. The reluctance of the British to concede this meeting was reflected in the content of this and subsequent meetings with the British refusing to enter into serious discussions.

On his return from the United States in June, I wrote to Mr Mayhew seeking another meeting. He refused, insisting that there could be "no substantive political talks" unless the IRA surrendered its weapons. The British constantly argued that it was impractical to set a date for all-party talks if the unionists wouldn't turn up. The unionist position, reinforced by British backing, was a useful mechanism for the British to hide behind.

Having already stalled the beginning of all-party talks for over ten months, the British government had now erected an absolute precondition to further movement in the peace process — the demand for decommissioning.

It is important to remember that the surrender of IRA weapons as a precondition to negotiations was never mentioned by the British government before the IRA cessation. Albert Reynolds, speaking on this issue in August 1995, wrote "This new precondition they (the British) have introduced was not part of the Downing Street Declaration ... This was not a precondition and there is no point in trying to say now that it was. It certainly was not."

While stalling on negotiations the British approach on other fronts was similarly negative and provocative. The summer of 1995 saw the release of Private Lee Clegg, who served just two years for the murder of a 17-year-old girl. Following his release he was not only welcomed back into the British army, but was also promoted. British troop levels remained at their 1994 levels, repressive legislation remained in place and the RUC [Royal Ulster Constabulary] forced a series of provocative Orange marches through Catholic areas. And conditions for Irish political prisoners in England seriously deteriorated.

Sinn Fein warned of the danger to the peace process because of the British government's stalling tactics. I wrote that "the urgency of the current situation demands that everyone with influence persuade the British government to face up to its responsibility." We were accused of making threats.

With the peace process on the point of collapse, the imminent visit of President Clinton provided the necessary impetus for London and Dublin to agree a twin-track approach which would tackle the issue of weapons and prepare the ground for all-party talks at the end of February.

Although Sinn Fein had serious reservations about John Major's commitment to this twin-track process the party, in meetings with the International Body and with the two governments, engaged in the twin track positively.

On January 16th the Mitchell Report was published. I welcomed it, saying "it provides a basis for moving forward so that all matters can be settled to the satisfaction of all sides as part of the process..." In other words the Mitchell Report points to a possible avenue into all-party talks."

Within hours, John Major had unilaterally dumped the Mitchell Report and had retained the old decommissioning precondition which the report had come down against. He also added a new precondition, that of elections. The date for the commencement of all-party talks, promised for the end of February, was abandoned and movement was again stalled by the actions of the British government.

Throughout the 15 months in which John Bruton, as Taoiseach played a major part in the peace process, his management of the process was at times flawed and at key points his miscalculations allowed the British to seize control of the process and to steadily run it into the sand. On entering office, John Bruton's efforts to appease unionism caused him to declare that there was no nationalist consensus, seriously undermining the basis on which the IRA cessation had been built.

The Taoiseach appeared to see his role as a neutral facilitator or arbiter when the process (and the agreements and commitments made by his predecessor Albert Reynolds) required that he play a leading role.

The desire to be a neutral referee was clearly seen in October of last year when John Bruton refused to meet with John Hume and myself together, saying that a Joint meeting at that time could have caused offence to unionists. The result of this was to cause much concern to nationalists and republicans and to send out the wrong signals in relation to his position on the peace process.

In the face of an ever-present British strategy which attempted to divide Irish nationalist opinion the situation required that Dublin take a firm stand and act in unison. Instead we had a coalition with no coherent strategy and often contradictory stances in relation to the peace process.

In the spring of last year John Bruton was responsible for breathing life into one of the main obstacles created by the British government. Instead of holding the British government to its commitment to begin inclusive all-party talks, Mr Bruton called for a gesture on decommissioning, giving much-needed credibility to the new British precondition to all-party talks. This precondition alone wasted over 14 months of the IRA cessation.

Similarly when Proinsias De Rossa on a visit to Belfast said that elections could play a part in moving the situ-

ation forward, the British government once again used Dublin's own words to replace the decommissioning precondition with the election precondition. Despite the united opposition of nationalist opinion this unionist proposal was subsequently included in the November Communique from both governments, and was finally conceded in the February Communique.

The unfortunate reality is that the failure of the Irish Government to take a leading, planned and coherent approach to the peace process allowed the British government, working blatantly to a unionist agendas to dominate, control and manipulate the entire process. The result was that the process failed to deliver in terms of nationalist aspirations and therefore suffered a fatal loss of credibility.

The breaking of the commitment to negotiations by the British government underlined one of the two key elements of the peace process which had led to the cessation. The second element, the commitment on the Irish side to a consensus approach to addressing the causes of conflict, was significantly weakened as a result of the collapse of the Reynolds-led government and the failure of its successor led by John Bruton to uphold this commitment. Once the basis of the cessation had been removed through the breaking of nationalist consensus and the renegeing on negotiations by the British. The collapse of the peace process became inevitable. No diplomatic offensive emerged and the Dublin Government was perceived to be divided in its approach.

Sinn Fein has approached the proposals in the February Joint Communique positively, as we have done with all other phases of the search for a lasting peace. We are prepared therefore to participate in the consultative talks. I am disappointed, and it is a matter of concern, that this process, which was to be jointly sponsored by the two governments, is excluding Sinn Fein's electorate.

We are being punished, while those who have refused to engage and are boycotting these consultations are being rewarded with their elections. How can anyone have confidence in a process which discriminates against a party which secures 35-40 per cent of the nationalist vote in the north? How can anyone suggest that this is an inclusive process when we are quite blatantly excluded? Sinn Fein has many legitimate concerns regarding the process proposed by the two governments in their Joint Communique of February 27th. We had wished to outline these concerns to the two governments so that the peace process could be restored. The two governments have, however reverted to the failed

policies of isolation and discrimination. These did not work in the past they will not work now.

Inclusive dialogue led by both governments is the only effective conflict resolution approach. The two governments need to show that there is a real and viable peace process in place. Both governments need to engage pro-actively in the peace process, and the British government, in particular, needs to provide convincing evidence that they are now prepared to engage, in good faith.

In the aftermath of the February Summit the British have again seized, and have been allowed to regain, control of the process — to set the agenda and to prescribe the terms of the engagement.

The start of all-party talks has again been delayed from February, as was promised in June, the proximity talks proposed by the Irish Government have been reduced to a charade; the precondition of an election has been built into the process despite universal opposition from nationalist opinion; only those elements of the Mitchell Report which suit the British and unionist positions have been retained while suggestions regarding prisoners, licensed weapons, policing, repressive legislation and plastic bullets have all been dumped.

The Irish government has been excluded from decisions on the elections and on the internal affairs of the Six County state when the peace process was clearly based on the commitment of the two governments to jointly lead a process to address all issues.

The British government has effectively created a six-month vacuum in which it is possible that no substantive negotiations can take place. June marks the beginning of the Orange marching season and the summer recess of the British parliament will follow soon after. By stalling, delaying and attempting to micro-manage the peace process John Major has succeeded in downgrading it and in turning the clock back to the old narrow talks about talks process. In doing so he has strangled the hope created in 1993 by the Irish peace process.

Eighteen months ago the IRA acted in good faith to enhance the potential that Irish nationalist opinion had collectively worked to create at that time. The good faith approach by the IRA and their willingness to take risks for peace was misread by the British as a sign of weakness and they used it as an opportunity to destroy the republican struggle.

On the Irish side, some elements of the coalition Government which had inherited the peace process and therefore had not been part of building it, failed to measure up to the new situation. They showed themselves unable to break free from their traditional

anti-republican mindset and incapable of standing up to the British government in pursuit of a just and lasting settlement.

What is required now to rebuild the peace process is a political package which has the ability to address and resolve the issues which have led to recurring conflict in the past. This involves the honouring of the agreements and commitments which brought about the IRA cessation in 1994. Broad commitments to negotiations, already repeatedly given and in turn repeatedly broken, are clearly not enough.

What is required are specific, public and unconditional guarantees of:

A firm date for the commencement of all-party talks at the earliest possible time, no preconditions to these talks, a fixed time scale for the commencement and conduct of the negotiations, an open agenda with no attempt to predetermine or preclude any outcome, both governments leading the negotiations process, an effective conflict resolution approach to the negotiations on the Irish side and as part of this, a pro-active and evident international and diplomatic strategy to advance these positions supplementary to the negotiations.

In other words, there should be no demands that cannot be delivered, such as decommissioning, no commitment to political formulas which are elevated to political principles before negotiations have even begun, as happened in the Forum on the issue of the unionist veto, and no further false trails into negotiations which have the effect of providing potential or actual stalls and diversions.

The absence of democratic negotiations, despite the commitments given by the two governments prior to the IRA cessation, and since, most notably in the November Communiqué, led to the collapse of the peace process. The British government must bear the primary responsibility for this but if we are to avoid the mistakes of the past, the Irish Government which was to have been an equal partner in the search for a lasting settlement, must accept its responsibility for the failure also.

The demand for inclusive negotiations as the means to an agreed peace settlement is hardly an unreasonable one. It is a demand which is shared by the vast majority of people on this island and by the majority of the British people also. The refusal to respond to the democratic imperative of negotiations and the rejection of the popular demand for talks to begin was the risk on which the IRA cessation finally broke.

The basis therefore for rebuilding the IRA cessation and the peace process itself must be the honouring of

the commitments which led to the IRA decision 18 months ago. All-party talks should now be convened without preconditions, with an open agenda and with an agreed time frame and, in the context of negotiations, an agreed and democratic Irish consensus approach to these negotiations, to ensure that the causes of the conflict are effectively dealt with, needs to be applied.

UK: UUP Official Warns of 'All-Out Civil War' in Ulster

BR/803152296 Amsterdam DE VOLKSKRANT
in Dutch 16 Mar 96, p 4

[Interview with Jim Rodgers, leading member of the Ulster Unionist Party, by Bert Wagendorp in Belfast, date not given. "Ulster Unionist Thinks London Is Making One Concession After the Other - 'Transfer to Ireland Would Be Economic Disaster'"]

[FBIS Translated Excerpt] [passage omitted] [Wagendorp] Didn't John Major promise you he would do nothing against the Northern Irish population's will?

[Rodgers] Actions speak louder than words. Major says one thing but does the opposite. He said his stomach would turn inside out if he would ever have to talk to Sinn Fein IRA. And yet he did. He said no date for talks would be scheduled before the IRA had handed over its arms. Now the IRA simply announces a cease fire and it can join in as of 10 June.

The British Government makes one concession after the other. And the fear of new bombs in London or elsewhere in England is so great that they continue to make concessions. Terrorism works! Without the bomb in Docklands no date for talks would have been agreed among all parties.

[Wagendorp] This is not quite the same as agreeing to a unification with Ireland?

[Rodgers] We have no trust in Major, nor in most of his ministers. If it suited them politically, they would transfer us to Ireland tomorrow. You do not have to be smart to see that the Union is weakening week after week. The British Government deliberately contributes to that. Major thinks that the solution to the Northern Irish problem will save his skin in the elections. And when he talks about a solution, he means leaving the province.

[Wagendorp] What is the basis for your conviction?

[Rodgers] Almost two years ago, in the months preceding the IRA cease fire, there had been secret talks between people from the SDLP [Social Democratic and Labour Party], Sinn Fein, the republican community, the Roman Catholic Church, and British officials from

Whitehall and the Northern Ireland office. There were also representatives from the Irish Parliament and the United States. I know from a reliable source that they discussed the time frame in which Northern Ireland should be transferred to Ireland. The year 2015 was suggested.

This idea was then submitted to the British Government. It was asked: 'What can you guarantee to these people if we see to it that the IRA proclaims a cease fire?' This cease fire has indeed been proclaimed. So you can conclude yourself what the British Government's answer had been.

[Wagendorp] But the cease-fire has been suspended in the meantime?

[Rodgers] There have been delays on two points. First, on the time at which all political prisoners must be released. Second, on the dismantling of the RUC [Royal Ulster Constabulary], the British police force in Ulster. The IRA has exerted pressure with its bombings. Believe me, the first demand that Sinn Fein will make after these talks will be amnesty. Then the RUC demand will follow, and finally the demand for a date for the British withdrawal. That is the scenario.

[Wagendorp] If you are right, then what does this mean for the UUP [Ulster Unionist Party]?

[Rodgers] We are being isolated, we are on our own. We have given up a great deal in recent years. The only thing we have left is our country. And we will never give up on that. We want to remain British. I want to know from those who are in favor of a united Ireland what the advantages are. Will there be more employment? Better housing, education, health care? No. A transfer to Ireland would result in an economic disaster, it would be Ulster's bankruptcy.

The people of Northern Ireland know that. Why do you think that even a majority of Catholics in Ulster is opposed to unification with Ireland? They know that we depend on the British Government for 75 percent of our employment. Per head of the population Ireland gets nine times as much aid from the EU as us. Without that aid, Ireland would go broke. From an economic point of view, the Irish Republic cannot afford Northern Ireland at all. Bruton is aware of that, but he cannot admit it to his rank and file.

[Wagendorp] What can the UUP do?

[Rodgers] If we find out that the secret scenario is carried out after all, we will call for civil disobedience. Because we refuse to be given away and want to decide our own future. However, I fear that loyalist paramilitary groups will not leave it at that. I am afraid

that we are heading for an all-out civil war if the British Government goes on like this.

[Wagendorp] This sounds like a threat. Aren't you playing with fire?

[Rodgers] We are doing everything we can to avoid violence from the loyalist side. We are a democratic party, and will never resort to violence to impose our will. Should it ever appear that 51 percent of the Northern Irish population is in favor of unification, we will accept it. The only thing we are asking before it comes to that is that the present minority would also accept the majority's will.

[Wagendorp] According to the scenario you are outlining, you seem to be the losing party.

[Rodgers] We are on the defensive. John Major should not think, however, that he can throw us to the wolves. We believe that Major is not fair to us. We showed him this in the vote on the Scott Report in the House of Commons. That was a warning shot. Next time, and this could be soon, we will topple his government. We expect more support from Labor than from the Tories.

UK: Unionists Threaten Government Over Anglo-Irish Document

MS1903092896 London FINANCIAL TIMES
in English 19 Mar 96 p 1

[Report by John Kampfner: "Unionists Threaten to Topple Government Over Ulster Talks"]

[FBIS Transcribed Text] The Ulster Unionists, Northern Ireland's largest political party, last night suggested they were prepared to bring down the British government in response to the weekend's Anglo-Irish document on all-party negotiations.

Mr John Taylor, the UUP's [Ulster Unionist Party] deputy leader, accused both governments of acting "with deception" in drawing up their consultative document that sets out the format for talks.

Mr Taylor, alluding to the Conservatives' majority of two, said: "This consultation paper must return to the drawing board."

He added: "The Dublin government must cease yielding to IRA blackmail and the London government must begin to stand on its own feet.

"If it is incapable, then the sooner we have a general election - - the better."

He made his attack on the eve of a meeting of the Northern Ireland committee of the UK cabinet which will look at several proposals for elections in the province as part of a broad package expected to be announced to the Commons on Thursday.

Elections are likely to take place on May 30, ahead of the convening of negotiations on June 10.

Dublin yesterday conducted last-minute lobbying to urge British ministers to, at the very least, incorporate elements of the system advocated by Mr John Hume, leader of the moderate nationalist SDLP [Social Democratic Labour Party], into their final decision.

It also wants a referendum on both sides of the Irish border on the issue of non-violence, which could take place either on election day or before.

Several "hybrid" elections options are believed still under consideration, although pro-Unionists in the Conservative party, well represented in cabinet, have voiced strong support for the rival plan of Mr David Trimble, the UUP leader.

Unionists' resolve has only hardened since the release to the parties of the governments' consultative document, which they see as going soft on demands for IRA decommissioning and giving Dublin an over-arching role in the talks.

Mr John Major, the prime minister, has made clear he will not make concessions to the UUP's nine MPs despite his government's increasing dependence on them for its majority.

Mr John Bruton, the Irish prime minister, said he had no intention of toning down the consultation paper.

"Obviously other views will be expressed, but this consensus between the governments is a solid and practical way forward," he said.

Germany: Kinkel on Duma's Restoring USSR

AU1903102696 Hamburg WELT AM SONNTAG
in German 18 Mar 96 p 2

[Report by "MJF": "Yeltsin, Kinkel Criticize Decision on Restoration of USSR"]

[FBIS Translated Excerpt] Moscow/Bonn — The Russian parliament (Duma) decision rescinding the 1991 resolution that brought about the dissolution of the Soviet Union has met with strong reactions both within Russia and outside it.

Speaking on Saturday (16 March), Russian President Boris Yeltsin made it clear that the Duma decision violated the Constitution. Foreign Minister Klaus Kinkel was the first Western politician to strongly criticize the decision. He called on the West to display "vigilance."

Kinkel warned Russia against changing the political order that had emerged on the territory of the former Soviet Union. Speaking to WELT AM SONNTAG, he pointed to the "fears" that had been prompted in states neighboring Russia. [passage omitted]

Kinkel criticized the fact that the decision "called into question the independence of the states neighboring Russia."

The foreign minister stated that the West saw the decision as being completely "irrelevant" and "unrealistic" from the constitutional and international law angle. Kinkel said that the Ukrainian president was right in saying that "history is not a tape recording that you can rewind."

However, the West could "not dismiss the Duma decision as a curiosity." That is because what has been thought up by the "communists in conjunction with the nationalists" must "cause fear in what some Russian politicians wrongly describe as the 'near abroad'."

The foreign minister went on to say that the Duma decision also "jeopardized economically necessary integration efforts being made within the CIS," because "it prompts the very opposite reaction in neighboring states."

Although the decision "also has to be viewed against the background of the presidential election campaign," all the political forces involved should realize that Russian "election campaign prattle is listened to everywhere in the world, but especially in states neighboring the CIS and in Central and Eastern Europe." Kinkel added that the "alarm bells are being sounded" in chancelleries extending from Kiev to Tashkent. These states must, of course, be concerned that the Duma decision might ultimately impinge on their sovereignty and independence.

Kinkel made it clear that "caution and vigilance" were required of the West. On Saturday, Russian President Yeltsin described the decision as having "no effect." "The resolution passed by the Duma cannot restore the Soviet Union." [passage omitted]

Germany: Kinkel, Kanther Disagree on Financing Bosnia Police

AU190310901996 Hamburg DER SPIEGEL in German
18 Mar 96 p 17

[Unattributed report: "Ministers Arguing Over Policemen"]

[FBIS Translated Text] The Federal Government is not fulfilling its Dayton commitments vis-a-vis Bosnia-Herzegovina because Interior Minister Manfred Kanther and Foreign Minister Klaus Kinkel are arguing about the costs involved. In the Dayton accord, Germany pledged to provide, among other things, 180 police officers for the International Police Task Force, a multinational UN police unit in the Balkans.

Some 1,700 policemen from all over the world are meant to watch and advise the local police forces in Bosnia. Because only 450 policemen have arrived in Sarajevo so far, including several dozen Americans, the United Nations has called upon Germany to send the German contingent as quickly as possible. Although the German contingent, consisting of men from all the laender, has already completed its special training at Heimerzheim near Bonn, a departure date has not yet been determined. The reason Kinkel insists the Interior Ministry should pay for the deployment. On the other hand, Kanther claims this is a UN mission for which the Foreign Ministry ought to pay. The financial problem concerning the police contingent on duty in Mostar under EU auspices has already been settled. The Bonn Interior Ministry is paying for the 70 German policemen in that force.

Klaus Rose, head of the Bundestag Defense Committee, says that members of the Committee encountered a "dismal picture" during their recent Balkan trip. They concluded that the erection of civilian facilities is far short of the plans envisaged in the Dayton accord, and that many thousands of former civil war fighters cannot wait for IFOR (Implementation Force) to withdraw so that they can resume fighting.

Therefore, Bonn is already considering prolonging the military mission, which was meant to end in December. Although Defense Minister Volker Ruehe officially insists that NATO should withdraw on schedule, Rose does not consider this "the wisest thing to do."

Germany: Kinkel on EU Cooperation, Iran, Mideast
BR1903115696 Rotterdam ALGEMEEN DAGBLAD
in Dutch 16 Mar 96 p 45

[Interview with German Foreign Minister Klaus Kinkel by Ad Vaessen in Bonn; date not given: "We Stand Practically Shoulder to Shoulder"]

[FBIS Translated Excerpt] [passage omitted] [Vaessen] Next week the first German-Netherlands summit will take place. What is the state of bilateral relations?

[Kinkel] During the past four years I have always cooperated excellently with the successive [Foreign] Ministers Van den Broek, Koosijmans, and Van Mierlo. Things work well between our two countries. I am not going to highlight all the questions which are not yet resolved. But whether these questions are about cooperation in Europe, about the Third World, or about human rights, the Netherlands and Germans practically always stand shoulder to shoulder.

I will open this first conference in Delft with Hans van Mierlo. One of the topics will be how to treat foreigners. This is not traditional foreign policy, but we are entering a new field. Economic relations are outstanding, a German-Netherlands army corps has been created, and there are 150 twinned towns. About 1,900 Germans are studying in the Netherlands, 2,100 Netherlands are studying in Germany, and there are six Euroregions.

[Vaessen] One political problem is the Netherlands liberal drugs policy. Bonn is pressing for change here. The Netherlands has been reproached for being a center of drugs trading and for playing a major role in drugs production. Do you share this harsh criticism?

[Kinkel] It is no secret that we have differing opinions in certain areas of drugs policy. But every country has its own problems and we do not wish to interfere in the Netherlands' internal affairs.

We should try to combat this frightful scourge in the same ways and with the same methods. Nobody has a monopoly on wisdom in this difficult question. Personally I am ready to permit methadone to be administered on medical grounds. There can and there must be differing views. However, they must not degenerate into arguments.

[Vaessen] France has recently canceled consultations on drugs with Germany and the Netherlands. What is Germany's position? More to the French side or in the middle?

[Kinkel] As far as the cancellation of the summit is concerned, you will have to ask the French. Once again, it is the most normal thing in the world for differences of approach to exist between partners and

friends in such a difficult area. Let us not blow things up out of proportion. All in all there is pleasingly good cooperation with the Netherlands.

[Vaessen] Various German Laender, perhaps the majority, applaud the Netherlands' "humane" drugs policy. Why do the Bonn "federalists" not take this viewpoint into account?

[Kinkel] What the Laender think is their business. One should not try to construct points of difference between the Netherlands and Germany.

[Vaessen] One question still weighs on the German-Netherlands relationship: What were the real reasons why former Prime Minister Ruud Lubbers was not allowed to become European Commission president? He is said to have come out against rapid German reunification at the time. Can you unveil the secret?

[Kinkel] There is no secret. We had to find a successor for the outstanding President Jacques Delors. First of all, colleagues focused on the Belgian prime minister, then they went for Luxembourg's Jacques Santer. A good choice. This was not a decision against the Netherlands. It was a question of achieving a consensus. [passage omitted on Kinkel's recent trips]

[Vaessen] Will Bonn and the European Union rapidly change policy [toward the Middle East]?

[Kinkel] We know that cross-relationships exist between Iran and Hamas and other organizations, but so far nothing points to direct responsibility for the latest terrible attacks. [Israeli Prime Minister] Peres and Egyptian President Mubarak have assured me of this. An EU troika will shortly be traveling to Tehran and we want to see concrete results. Critical dialogue yes, but not at any price, we Europeans are agreed on this. We are close to the red line.

[Vaessen] Germany has been reproached for maintaining relations with Iran, among other things for economic reasons.

[Kinkel] I do not know whether Germany should allow this reproach to be made. Other European states also maintain economic relations with Iran. Until recently there were large-scale relations between Iran and the United States. We believe that it would be wrong to put Iran in a corner and that so far it has been better to talk to Iran than not to.

[Vaessen] French Prime Minister Juppe wants to create a European army of around 300,000 men, with each major country contributing around 50,000 soldiers. Are you in agreement with this plan, which also serves to make Europe less dependent militarily on the United States?

[Kinkel] We will have to discuss this with our French friends. Such a solution would not be as simple as it sounds. Naturally we want to increase Europe's room for maneuver within the framework of the Western European Union, but at the same time we must take care not to weaken NATO.

[Vaessen] Germany swears by German-French friendship, but France has already caught Germany by surprise a number of times: by the resumption of atomic testing and by the latest plan for a total restructuring of the French Armed Forces. Is it becoming more difficult to know where France stands?

[Kinkel] France has a new president and a new government, and there were a number of start-up problems. These are over now. It is now important that Germany and France cooperate with an eye to the forthcoming EU summit. The German-French driving force is very important for the further integration of Europe. Our European friends and partners also know that. A lot has still to happen between now and the end of the century. For this we are in particular working closely with the Netherlands.

[Vaessen] Politicians in Germany, including CDU [Christian Democratic Union] Bundestag group leader Schaeuble and SPD [Social Democratic Party of Germany] Chairman Lafontaine, are entertaining reservations about the introduction of a single European currency in 1999. Do German politicians still want the Euro? Can the population still be convinced that they must give up the best thing they have, the German mark?

[Kinkel] Unambiguously, yes, we want the Euro. I believe that Wolfgang Schaeuble continues to hold to this conviction. Of course there are discussions. We want Economic and Monetary Union and we would like to have the Netherlands join us.

For Germans the German mark is the symbol of Germany's reconstruction since 1945. For them it is difficult to say goodbye to the mark. As an exporting country we are very well served by the Euro. Without a European currency no Europeans can in the long run stand up to the dollar and the yen. A lot of work still has to be done to remove the psychological worries.

[Vaessen] Officially there are 4.3 million unemployed in Germany, unofficially there are almost 6 million. This brings back memories of the Weimar Republic. Is Germany's young democracy strong enough to withstand a program to put the economy in order, in a way that we have so far seen only in Great Britain and the United States?

[Kinkel] There are no reasons for Cassandra-like predictions and gloomy thoughts. The problems can be solved. Yes, we have a few problems on board, but we can overcome them. Other countries have similar worries. The world economy is simply going through a period of far-reaching change.

Pessimism and looking on the dark side are not appropriate. Economically Germany is still a strong country.

Germany: Lafontaine Views Maastricht, VAT

AU1803160796 Hamburg BILD in German
18 Mar 96 p 2

[Interview with SPD Chairman Oskar Lafontaine by Einar Koch, place and date not given. "Lafontaine: SPD Strictly Against VAT Increase"]

[FBIS Translated Text] [Koch] Mr. Lafontaine, rumors are again circulating in Bonn about an elephant marriage between the Social Democratic Party of Germany (SPD) and the Christian Democratic Union. Do you think a grand coalition might be able to solve the existing problems in a better way?

[Lafontaine] The discussion of a grand coalition only diverts attention from the real problems. For this reason, I am not participating in the debate. We must immediately tackle the financing of the pensions.

[Koch] Finance Minister Waigel has announced a spending freeze.

[Lafontaine] This is not the solution in view of budget gaps involving tens of billions of German marks. The budget freeze shows that the Federal Government wants to resort to tax increases and a reduction of the pensions after the land elections on 24 March. I call on the chancellor to tell the citizens the truth before the elections. I can only warn against a new tax lie and false statements concerning pensions.

[Koch] Do you rule out an increase in the value-added tax (VAT)?

[Lafontaine] Experts expect the Federal Government to propose this measure after the elections, which means that, through a VAT increase, the pensioners and recipients of social welfare should pay for the planned abolition of the property tax for the rich. We will not accept that.

[Koch] The economy is sluggish. The government's financial leeway will be additionally restricted by the European Monetary Union. Would it not be better to soften the stability criteria of the Maastricht Treaty?

[Lafontaine] This would further reduce the acceptance of monetary union in Germany. Mass unemployment

must not exacerbate. Thus, I claim the following: Before monetary union turns into an all-European recession program, it is better to correct the timetable of the Maastricht Treaty. Growth and employment must be accorded priority.

Germany: Kohl Said Planning Campaign To Promote 'Euro'

AU1803213696 Hamburg DER SPIEGEL in German
18 Mar 96 p 17

[Unattributed report: "Useful Campaign"]

[FBIS Translated Text] Helmut Kohl is planning to put millions into a large-scale advertising campaign for the European currency Euro. Coordinated by the Federal Press Office, the Federal Press Office itself, the EU, and private German business should promote the European currency in campaigns. A well-calculated side-effect: The great publicity would also provide political support for Kohl in the 1998 Bundestag election campaign.

The concerted advertising campaign should run from this spring until at least the end of 1998. The Federal Press Office has earmarked 10 million German marks [DM] from its 1996 budget for the campaign — far too less, as the chancellor remarked.

Kohl achieved that Brussels will provide another DM10 million for the campaign, and funds are to increase in the following years. According to plans from the Chancellor's Office, banks and insurance companies should spend as much as DM100 million to promote the Euro in the coming years.

The Federal Press Office selected the Solingen-based Von Mannstein public relations company as the lead agency.

Sources from the Chancellor's Office said that the election campaign centered around the Euro was delicate since, according to polls, the majority of Germans want to keep their mark. Yet, there was also growing insight that the European currency would eventually come. If the Euro cannot be avoided, then the voters — in a recent Allensbach survey — believe that the Christian Democratic Union (46 percent) is much rather capable than the Social Democratic Party [SPD] (8 percent) of coping with the transition to the Euro. The chancellor could present himself as the rescuer of monetary value. As a precautionary measure, the Press Office examined whether the campaign could infringe on the neutrality regulation in the election campaign. The result was as was to be expected: It does not because it is covered by the duty to inform the voters.

SPD Bundestag Deputy Norbert Wiecezorek, chairman of the Europe Committee, announced a "major protest" if the matter were to turn out as an election campaign show of Kohl's. Klaus Loeffler, head of the European Parliament information office in Bonn, has also voiced reservations: The EU has the duty to be strictly non-partisan, which is why it might face a "very difficult" situation if the Euro were to be drawn into the dispute between the parties in the Bundestag election campaign.

France: Juppe on Support for Slovenia's EU Membership

BR1803115796 Paris AFP in French
1918 GMT 15 Mar 96

[FBIS Translated Text] Paris, 15 March (AFP) — Prime Minister Alain Juppe assured his Slovenian counterpart Janez Drnovsek in Paris on Friday that "France supported Slovenia's candidacy for EU membership."

"I said how much we appreciate the progress made by Slovenia in preparing itself to join the EU. As soon as the conditions are right, after the Intergovernmental Conference (IGC), France wants us to be in a position to start talking about membership" for Slovenia, Mr. Juppe told the press after his talks.

The IGC, which will start in Turin on 29 March, should last about a year. The talks with the dozen candidate countries for EU membership should start six months later.

Mr. Juppe stated that France supported Slovenia's efforts with a view to an "association, if possible, and (for) membership when the time came."

Meanwhile the Slovenian prime minister "expressed his satisfaction at and recognition for the support he had so far received from France," he added.

Slovenia's association agreement with the EU is being blocked by Italy due to a dispute concerning compensation for Italian properties expropriated by the Communist regime in Yugoslavia after World War II.

Ljubljana, which has asked for Paris' support to overcome the Italian veto, envisions applying for membership straight away, without first concluding an association agreement.

France believes that the disagreement between Italy and Slovenia should be settled bilaterally in direct negotiations between the two countries, but also claimed to have approached Italy already with a view to finding a solution.

At the bilateral level, Mr. Juppe confirmed that "relations were excellent. We want to make them even closer on the economic and cultural front."

Mr. Drnovsek said that he was "very happy with his visit to France." "I found that bilateral relations are developing very nicely," he added.

The leader of the Slovenian Government was due to return to Ljubljana in the evening after completing a three-day official visit to France, during which he met with the main French leaders.

He also presented his country's candidacy for the OECD (Organization for Economic Cooperation and Development), which includes the richest and most highly developed countries among its membership.

The former Yugoslav republic, which has been independent since 1991, has income double that of Hungary's or the Czech Republic's. Two-thirds of its trade is concluded with the EU.

France: Foreign Ministry Spokesman Daily Press Briefing

BR1903140396 (Internet) French Ministry of Foreign Affairs WWW in French 18 Mar 96

[Daily press briefing by Foreign Ministry Spokesman Jacques Rummelhardt to unidentified journalists at the Foreign Ministry in Paris on 18 March]

[FBIS Translated Excerpt] [passage omitted]

United Nations-Africa

[Rummelhardt] I would like to draw your attention to the UN "special initiative" which was launched on 15 March 1996 by UN Secretary General Butrus Butrus-Ghali.

This is a special UN initiative for Africa. France lauds this initiative, whose aim is to mobilize the international community so that the development process in Africa, both at the political and financial levels, can be accelerated as a matter of priority. [passage omitted]

I would like to take this opportunity to remind you that France has long been the unconditional advocate of the development of Africa. About one half of development aid goes to Africa, corresponding to 17 billion francs [Fr] in 1994 out of a total of Fr36 billion. Similarly, the EU earmarks 47 percent of its development funds to Africa. The president of the republic himself has stressed on several occasions that the African countries must not be left alone and that international public aid is necessary to enable them to progress along the path of development.

Consequently, this is a very important initiative. We praise it and hope it will be successful.

Former Yugoslavia

[Journalist] There has been some looting in the Serbian districts of Sarajevo. What is your opinion on this issue?

[Rummelhardt] We condemn any act of violence. We deplore the exodus of the population. We reiterate our support for the implementation of the peace accords which were signed in Paris.

[Journalist] What measures should be taken?

[Rummelhardt] We should take this opportunity to stress our concern that the international police force is able to quickly carry out its mission. We wish that the 1,700-man force were already in place. As you know, the number of the men who make up the international police force so far is about 300 of whom over one third are French.

[Journalist] Why is the police force not yet in place?

[Rummelhardt] Ask the countries which have not yet sent their troops.

[Journalist] Has France given its share?

[Rummelhardt] France has sent its contingent. What you are pointing out shows well that there is an urgent need to set up this police force.

[Journalist] Which countries have already sent their contingents?

[Rummelhardt] I do not have a detailed list. Some Scandinavian countries and Canada, I think, and Spain, if I am not mistaken.

Middle East-Iran

[Journalist] Will France contact Israel about the closure of the territories?

[Rummelhardt] France has taken note of the fact that the security measures necessarily implied a closure. We said we hoped that the closure would be relaxed and finally lifted, which — in our opinion — would indicate the positive developments in the situation as far as security and the peace process are concerned.

[Journalist] Will there be a meeting with the Israelis on this issue?

[Rummelhardt] The president of the republic and the prime minister have indicated that they hoped the situation would develop so that the closure could be relaxed and then lifted. This is in line with our policy of support for the peace process. [passage omitted]

[Journalist] Should not the closure be urgently lifted?

[Rummelhardt] It is urgent that the security conditions should allow the relaxation of the closure.

[Journalist] Do you have any evidence of Iran's responsibility in the attacks?

[Rummelhardt] I have nothing to add about Iran.

[Journalist] What will be the purpose of the troika's visit to Iran?

[Rummelhardt] I refer you to the statement made in Palermo. This statement was very clear. The troika which will be sent to the region will emphasize in Iran that the "critical dialogue" must show some progress and that attitudes must converge on fundamental issues such as the Middle East peace process and terrorism.

[Journalist] Do you intend to change the "critical dialogue"?

[Rummelhardt] The statement says that there must be converging attitudes in the "critical dialogue." As the troika mission has not started yet, it is difficult to anticipate what the outcome will be.

[Journalist] Will Germany question the "critical dialogue"? What about France?

[Rummelhardt] It is a joint concern to "assess" the critical dialogue and not to "restrict" it. We hope that it will be more and more a real dialogue and that there will be less criticism and items to criticize.

China-Taiwan

[Journalist] Do you have new comments to make on the tension between China and Taiwan?

[Rummelhardt] No, I do not. There is no new element.

Comoros

[Journalist] What is your reaction to the presidential elections in the Comoros?

[Rummelhardt] France welcomes the smooth election process in the Comoros, which led to the election of Mohamed Taki Abdulkarim. He is the second elected president in the history of the Federal Islamic Republic of the Comoros. We hope that the confidence which the new president enjoys will enable him to rally all the political movements for economic recovery and democracy.

France praises all the third parties, among others the OAU, the Madagascar authorities, as well as the head of the government of national unity, Mr. Caahi el Yachrouu, who worked so that the presidential elections could take place on schedule and in an acceptable way.

[Journalist] Where is President Djohar?

[Rummelhardt] I do not know.

[Journalist] What will become of the French troops stationed in the Comoros?

[Rummelhardt] At this time nothing to indicate that what I told you some weeks ago, i.e. the departure of the French troops, will change. This is what we announced but of course, the new Comoran authorities may have something to say about this. However, we intend to stick to the announced schedule.

[Journalist] Are there still French troops in the Comoros?

[Rummelhardt] Yes, we were asked to maintain French troops which were seen as a element of stability for the election process.

Italy: Prodi on Taxation, Premiership, Other Issues
BR1803144796 Bologna NUOVO EXTRA in Italian
18 Mar 96 p 3

[Interview with Italian Olive Tree leader Romano Prodi by Lorenzo Bianchi in Bologna on 17 March: "I Am No Reserve Candidate for Palazzo Chigi"]

[FBIS Translated Text] Dini, Dotti, and women candidates, the three issues taking up the time of Romano Prodi, who was relaxing and ready to smile at last in his study at home, surrounded by piles of books, miniature models of bicycles, and Russian wooden dolls with the Professor's broad face. Dini talking about "teamwork" but saying he did not regard himself as a stand-by candidate for Palazzo Chigi; Dotti torpedoed, women few and far between, not many in the Olive Tree's lists of candidates. We began with Dini. The Prime Minister had told LA STAMPA: "The Olive Tree's candidate is Professor Prodi, to whom I am bound by ties of esteem and cordial regard. We will see what the outcome of the poll is afterwards... If we lose the election, there is no point in wasting time discussing certain matters." Are you satisfied?

[Prodi] It is exactly what Dr. Dini has always told me, with great sincerity, in private as well. He has always maintained that, if we win, there will be many roles to be filled. A country needs teamwork. There has always been a clear-cut relationship.

[Bianchi] There might also be another interpretation. Whoever gets the most votes becomes prime minister.

[Prodi] If that were so, the job should go to D'Alema! Let us remember that Dini and I are both pulling in the same direction.

[Bianchi] Let us turn to the Dotti affair.

[Prodi] It looks obvious to me that the moderate wing of Forza Italia is carrying less and less weight. Dotti's place has been taken by a National Alliance candidate. But this is not the only important aspect of the issue.

[Bianchi] Really?

[Prodi] We have always maintained that party centralization was a bad thing. Forza Italia is even more markedly centralized, and as a result, it will yield leadership of the Pole to National Alliance, which has a broad network and organizational unity, particularly in the south, despite all the limitations inherited from the MSI [Italian Social Movement]. Forza Italia is based on a group of people who wreck the whole structure when they fall out with one another. The top level is made up of managers who revolve around a corporation, indeed they live off it, and they provide the backing to the proprietor's solo act. It is an amazing sight. Their

behavioral models are light years away from those of ordinary people. It is a minor satraps' court.

[Bianchi] The lists of candidates have been completed now. We have been watching a rerun of an old movie: Meetings between party leaders who decide everything in long sleepless nights.

[Prodi] That is how it will be until they hold primaries, but primaries would need rules that we do not have. The alternative is the two-tier system, the first round of which is basically a primary. I have had to agree to enormous sacrifices over the last few days for the committees, for people who have been working for the coalition.

[Bianchi] There are not many women candidates in the Olive Tree's lists.

[Prodi] More than there are in the Freedom Pole's, however. There is a serious problem of representation, which will not be solved in the future by quotas, but by changing attitudes. In the meantime, however, it would be a good idea for the parties to introduce quotas into their statutes on a voluntary basis. If there is one lifestyle that provides a training for politics, it is the one forced on many women nowadays, that of combining family life with a job and bringing up children. Politics is mediation, it is making the most of scarce resources. No way is it simplification, as Berlusconi claims. Politics is complex, so it is a job for which women are particularly well qualified.

[Bianchi] Taxation. Is all that the Olive Tree platform envisages the abolition of inheritance tax for offspring who succeed their parents in farms, shops, and craft workshops?

[Prodi] I have been going around for 12 months, bravely maintaining that fiscal pressure cannot be reduced over the next two years and that combating evasion provides the only room for maneuver. They said I was crazy. On Friday, Brunetti and Marzano admitted, at the Freedom Pole's meeting on its platform, that the burden cannot be lightened for the next three years. Why did they not do their sums earlier? All they have put out over the last few months is mere propaganda.

[Bianchi] So the blood, sweat, and tears finance bill is the only way?

[Prodi] With a government that lasts and has the respect of the international markets (and I can assure you that the center-Left has it), a lowering in interest rates will make it possible to trim a few dozen trillion lire off the budget. The Right has the additional problem of not enjoying the confidence of the international markets. Quite rightly, it is regarded as much less in earnest.

and less consistent on entry into Europe. I rule out any possibility of a credible budget policy without a relationship with Europe. The idea that we can do without Europe is extremely harmful.

[Bianchi] Dozens of trillions from lower interest rates?

[Prodi] Every decimal point is worth 20 trillion. By a realistic calculation, we can lower rates by two and a half points. Work it out for yourself.

[Bianchi] Has the De Mita problem been solved in nominalistic fashion? He is not running under the Olive Tree symbol, but there is no center-Left candidate opposing him.

[Prodi] Anyone who has read his violent reaction knows that that is not how matters stand. There has been no compromise. All we have done is recognize his right to see how he fares with his voters.

[Bianchi] Do you find the judicial inquiry into the sale of Cirio embarrassing?

[Prodi] No, it is not a personal matter. The whole IRI [Industrial Reconstruction Institute] board decided on it after a great deal of consideration. The institute received a very large sum, larger than forecast and fully paid up. No one is suspected of pocketing a lira. In one year, in spite of everything, I completed two-thirds of the privatizations that have been undertaken in the country. Pier Ferdinando Casini, who is a political opponent of mine, has said: "I know perfectly well that Prodi definitely did not benefit in any way from the transaction." It was a rare instance of courtesy in this election campaign. [Prodi ends]

The Professor looked at his watch. It was a few minutes to midday, time for mass with the family. At least this Sunday habit of his had not been upset.

Sweden: Baltic Countries Top of Foreign Policy Agenda

LD1803150996 Stockholm Sveriges Radio Network
in Swedish 1130 GMT 18 Mar 96

[FBIS Translated Text] Goeran Persson has so far not devoted much time to foreign issues, but in his concluding speech at the party congress this past weekend, he said that as far as foreign policy is concerned, the Baltic countries are top of the agenda.

[Station commentator Jan-Olof Pettersson] A party congress can, naturally, not be compared to what is being put down in writing in a government's foreign policy declaration to parliament. In such a declaration, each turn of phrase will be carefully weighed and the foreign embassies in Stockholm study equally carefully what is written there.

A party congress is something different, the reins are looser. All the same, the now concluded congress of the Social Democratic Party has given some hints that new changes are afoot in social democracy's view of the surrounding world, changes which were noticeable already during Ingvar Carlsson's era as prime minister, but which may become even more distinct under Goeran Persson.

Surely, a social democratic politician has never spoken with such fervor and commitment about the Baltic states. Their cause is ours, said Goeran Persson in a statement borrowed from "Finland's cause is ours" dating back to the Finnish Winter War [1939].

The premier-designate drafted the guidelines for how Sweden wants to work in order that the Baltic Sea may become one of the dynamic regions in Europe. He is wary, however, of stating whether this arrangement might mean changes in the military security policy as far as Sweden is concerned. The start of this active Swedish Baltic policy will take place at the beginning of May when Premier Carlsson has been invited to a summit in Visby [on Swedish island of Gotland].

As far as EU policy too is concerned, the congress also established important points. The EU skeptics suffered a defeat and the Swedish Government will not need to feel restricted by the strait-jacket of a party conference when it enters into negotiations with the other EU countries soon on the future of the European Union, negotiations which an increasing number of people believe will not mean any particularly big changes. Sweden may now contemplate softening its veto right in less important issues.

In his program speech, Goeran Persson linked both the EU and the Baltic Sea region to financial progress and the overshadowing target to reduce unemployment.

Maybe for that reason his speech lacked almost completely the almost ritual declarations of loyalty to the UN otherwise found in social democratic speeches, or assurances of solidarity with the developing countries. With big problems at home, it is the neighboring region which is important in foreign policy — that is an interpretation that can be made.

Sweden: Persson New Social Democratic Leaders

BR1803124096 Stockholm DAGENS NYHETER
in Swedish 16 Mar 96 p 3

[Report by Goran Eriksson, "Austere Change on Socialist Throne"]

[FBIS Translated Text] On Friday evening Goran Persson was elected the new chairman of the Social Democratic Party by acclamation. With his spectacles in his hand, Persson waited out the ovation before stressing the importance of party unity to the conference.

Goran Persson's inaugural speech was largely a tribute to his predecessor Ingvar Carlsson.

But in contrast to Carlsson, who had said during the day that talk of a divided Social Democratic Party was a "nonsocialist trap," Persson emphatically described his party as plagued by internal divisions. His feelings after the election were characterized by pride, but above all by seriousness, Persson said.

"It is a great responsibility to pull your share of the load at a difficult hour. It is also a serious matter, because the party is in an enormously difficult situation and risks — if not actually being torn apart by internal disagreement — being seriously weakened."

"We need to stick together in order for the Social Democrats to lead this country in the future, and this requires that we stick together."

Earlier in the day Persson had met with a setback in the debate at the conference, when the left wing objected to a formulation concerning the public sector. His speech in the evening may have been influenced by a desire to emphasize the importance of unity and the capacity to make difficult decisions.

At a press conference following the chairmanship election, Goran Persson said he hoped that the conference's drafting committee would be able to agree on a formulation on public finances which would be clear and acceptable to all. If the conference were to decide that the public sector may grow even if general growth were zero, the conference would also have to decide to delay the goal of balance in the public sector by 1998, he said.

In his tribute to his predecessor Goran Persson listed a number of resolutions which Carlsson pushed through.

several of which are like a bullfighter's red cape to the internal opposition: tax reform, EU membership, the Oresund bridge, and energy policy.

Important decisions, Persson declared, and in a sense typical for today's party leaders.

"There is not much scope today for decisions which everyone will support automatically," Persson said, describing, perhaps also prophetically, a Social Democratic Party chairman's most important task.

"Making difficult decisions, without the party and the labor movement being weakened or losing their central role in Swedish politics."

Goran Persson also promised to continue in the tradition in which his predecessor had worked.

"The most important task is to reduce unemployment in Sweden and in Europe and to continue your fight against racism and hostility to foreigners."

Persson praised Ingvar Carlsson as a great reformer, who among other things has played an important role for equality in Sweden and for Sweden's international commitment, especially with regard to the United Nations.

Persson also predicted that the United Nations will want to continue to benefit from Carlsson's commitment in the future too.

The newly-elected party chairman ended by quoting the chairman who had just stepped down:

"The responsibility rests with us together, not with anyone else, because there is no one else."

"Thank you, Ingvar Carlsson, for a job well done."

[Box]

Goran Persson was born in Vingaker in Sormland on 20 January 1949.

1971-72 Secretary of the SSU [Socialist Party youth organization]

1974-76 Study secretary in the ABF [Workers' Educational Association] Sormland District.

1977-79 Chairman of the local education authority in Katrineholm

1979-84 Riksdag deputy

1985-89 Local government head in Katrineholm

1989-91 Education minister

1991-92 Chairman of the Riksdag / agriculture Committee

1992-93 Member of the Riksdag Trade Committee

1993-94 Deputy chairman of the Riksdag Finance Committee

1994-96 Finance minister

1996- Party chairman and future prime minister

Turkey: EU Official Says Association Council To Meet 25 Mar

TA1503160096 Ankara ANATOLIA in English
1530 GMT 15 Mar 96

[FBIS Transcribed Text] Ankara, March 15 (AA) — European Union (EU) term president Italy's Foreign Ministry Undersecretary Boris Biancheri said on Friday that Turkish-EU partnership council meeting would take place on March 25, as it was planned earlier.

Biancheri told reporters before meeting Foreign Minister Emre Gonenay that the meeting would take place in time.

Gonenay in his part said he shared Biancheri's views adding 'Turkey thinks the partnership council should take place in time.'

Asked if Greece would veto financial aid to Turkey during the council meeting, Biancheri said Greek attitude on the issue was not determined yet.

Biancheri said Italian Foreign Minister Susanna Agnelli congratulated Gonenay and planned to meet him soon.

Italian FM undersecretary said Turkish-Italian relations were strong adding they aimed at improving bilateral relations within EU.

Turkey: Effort To Reopen Karkuk-Yumurtalik Pipeline Viewed

NC1501171296 Istanbul CUMHURİYET in Turkish
7 Mar 96 pp 1, 7

[From the unattributed 'Truth Behind Developments' column 'Relations Between Turkey and Iraq']

[FBIS Translated Text] Five years have passed since the Gulf war. Turkey is one country greatly affected by that war. Turkey's unfortunate situation did not end with the war, it continues. Turkey fully complied with UN Security Council resolutions during the war, shut down the Karkuk-Yumurtalik oil pipeline, and imposed sanctions on Iraq.

Iraq had very close relations with Turkey and Jordan in the past. Jordan was not quick to sever its relations with Baghdad. It offered several conditions and won concessions. But all that is in the past. As for today, the Karkuk-Yumurtalik oil pipeline has been closed for five years. Turkey has not resumed its relations with Iraq. Bilateral trade totaled \$2 billion a year. The pipeline can carry 70 million tons of oil a year. Turkey acquired \$250 million from pumping operations every year. Port services increased the amount to \$350 million.

The pipeline holds 12 million barrels of oil right now. Some 7.5 million barrels of that amount are in the

Turkish section of the pipeline. The rest is in Iraq. Plans have been made to resume pumping operations following a five-year interruption. The final decision will be made in New York on 11 March. Oil Minister 'Amir Muhammad Rashid has arrived in Turkey through northern Iraq. He held talks in Ankara in the past two days. Officials have told people that the two sides agree on the issue.

Turkey does not regard the resumption of pumping operations as 'an opportunity to provide economic gains.' It believes it will improve bilateral ties, help to establish order in northern Iraq, and create economic and social opportunities for the people in southeast Turkey.

Considering all that, Turkey must adopt an active policy. Turkey's problems with its southern neighbors are related. A favorable development in one issue will naturally help to resolve the others.

Turkey: DYP, ANAP Might Cooperate in Local By-Elections

TA1903072196 Ankara TRT Television Network
in Turkish 1800 GMT 18 Mar 96

[FBIS Translated Text] True Path Party (DYP) leader Tansu Ciller has said that her party has received a proposal from the Motherland Party (ANAP) to cooperate in the local by-elections to be held in various regions.

Replying to reporters' questions in Ankara, Ciller said that the DYP chairmanship council discussed this proposal at its meeting today.

[Begin Ciller recording] We assessed this proposal at the party chairmanship council meeting. Such cooperation may be possible, especially in certain regions. Our colleagues will conduct joint work on the issue [end recording]

Turkey: ANAP Gives Signal To Hold Party Congress

TA1903072296 Ankara TRT Television Network
in Turkish 1800 GMT 18 Mar 96

[FBIS Translated Excerpt] Motherland Party (ANAP) deputy leader Iker Tuncay has said that the newly elected ANAP chairmanship council, at its first meeting, gave the signal to convene the party congresses and to hold the general party congress on time. He added that at the council meeting views were also expressed on the general economic and political situation in the country [passage omitted]

In reply to a question, Tuncay said that his party has begun preparations to enter the local by-elections on its

own and that no election cooperation proposals have been received from other parties. He added that in the event the party receives such proposals they will be assessed by the pertinent party organs.

Turkey: Duties Reallocated to State Ministers

TA1903090296 Ankara TRT Television Network
in Turkish 1800 GMT 18 Mar 96

[FBIS Translated Text] The tasks of the prime minister, the deputy prime minister, and the state ministers and the organizations to be subordinated and attached to their ministries have been redistributed. According to a directive signed by Prime Minister Mesut Yilmaz, the distribution of tasks and the organizations to be subordinated and attached to the various ministries are as follows:

Prime Minister Mesut Yilmaz will head the High Planning Council, the Privatization High Council, and the Money, Credit and Coordination Council. The following organizations have been subordinated to the Prime Ministry: The National Intelligence Organization Under Secretariat, the National Security Council Secretariat General, the Maritime Under Secretariat, the State Personnel Chairmanship, the Turkish Sciences Academy, and the Turkish Scientific and Technical Research Organization. The Turkish Central Bank has also been attached to the Prime Minister's Office.

Nahit Mentese, state minister and deputy prime minister, will be responsible for intragovernmental coordination and will chair the intraministerial coordination council. He will also chair the Crisis Coordination Council, the Internal Security Coordination Council, and the Internal Security Assessment Council.

State Minister Rustu Saracoglu's spheres of duty will consist of relations with international economic organizations, membership in the High Planning Council, the Privatization High Council, and the Money, Credit and Coordination Council. The Privatization Administration Chairmanship was subordinated to Saracoglu and the public sector banks, the Turkish Republic Agriculture Bank, the Turkish People's Bank, the Turkish Emlak Bank, and the Vakıflar Bank were attached to his ministry.

State Minister Ayfer Yilmaz will be responsible for coordinating affairs regarding Cyprus. The State Statistics Institute Chairmanship will be subordinated to Yilmaz. The Turkish Standards Institute Chairmanship, the National Productivity Center Chairmanship will be attached to her ministry.

The tasks of State Minister Abdulkadir Aksu will incorporate the coordination of the affairs concerning the

southeast region. He will also chair the GAP [South-east Anatolia Project] Project High Council. The GAP Administration Chairmanship and the Turkish Atomic Energy Institute Chairmanship will be subordinated to his ministry.

State Minister Ufuk Soylemez will be a member of the High Planning Council; the Money, Credit and Coordination Council; and the Privatization High Council. The following organizations will be subordinated to his ministry: The State Planning Organization Under Secretariat, the Treasury Under Secretariat, the Capital Market Council Chairmanship.

The following organizations have been attached to State Minister Eyup Asik: The Turkish Development Bank, the Turkish Monopolies Administration General Directorate, and the Tea Enterprises General Directorate.

The tasks of State Minister Yaman Toruner will consist of membership in the High Planning Council and the Money, Credit and Coordination Council. The Foreign Trade Under Secretariat and the Customs Under Secretariat will be subordinated to Toruner. The Foreign Trade Under Secretariat and the Turkish Eximbank will be attached to his ministry.

State Minister Imren Aykut will be responsible for coordinating collective wage negotiations pertaining to the public sector, conducting the work in connection with the solution of the problems regarding women and the family, engaging in activities for the solution of the problems concerning the disabled, and coordinating the problems of Turkish workers residing abroad. The Social Services and Child Protection General Directorate, the Family Research Institute Chairmanship, and the Women's Status and Problems General Directorate will be subordinated to Aykut.

State Minister Ayvaz Gokdemir will be responsible for coordinating affairs regarding Bulgarian immigrants. His tasks will incorporate the general coordination of activities to be carried out and decisions to be made within the framework of Housing Law No. 2510 that concerns ethnic Turks who were forced to emigrate from Bulgaria; the distribution of the housing units that have been constructed or that will be constructed for these individuals; the transfer of the property deeds; and procedures concerning housing loans in line with the amendments to the housing law. He will also be responsible for conducting relations with the Turkish republics, the Turkic and brotherly communities, and for research, planning and coordination concerning these republics and communities. His tasks will also incorporate the coordination of the pertinent activities within the framework of the laws that deal with the absorption and settlement of the Akhalsikhe Turks in Turkey. The transport

and coordination of the humanitarian aid being extended to communities outside Turkey are among Gokdemir's spheres of duty. He will also be responsible for all the planning and coordination of services concerning the refugees that arrive in Turkey, for assessing all applications and correspondence on the issue, and for securing the coordination of the activities of small artisans and shopkeepers in the Turkic republics. The chairmanship of the Ataturk Association for Culture, Language and History will be subordinated to his ministry.

State Minister Cemil Cicek will be responsible for relations with the parliament and the administration of the fund for social aid and solidarity. The Religious Affairs Directorate and the General Directorate of Religious Foundations will be subordinated to his ministry.

The Village Affairs General Directorate will be subordinated to State Minister Ibrahim Yasar Dedelek.

State Minister Ali Talip Ozdemir will be responsible for relations with the parliament, the administration of the advertising fund, the chairmanship of the high council of communications, the chairmanship of the national organization for communications, and the chairmanship

of the national organization of the Turkish- Europolia festival. The General Directorate of the Press and Publications will be subordinated to Ozdemir. The Turkish Radio and Television General Directorate and the Anatolia Agency General Directorate will be attached to his ministry.

State Minister Unal Erkan will be responsible for relations with the parliament and the chairmanship of the natural disasters coordination council. The Chairmanship of the Public Housing Fund and the General Directorate of Land Registration and Surveying will be subordinated to his ministry. The Youth and Sports General Directorate, the chairmanship of the Football Federation, and the State Meteorology Affairs General Directorate will be subordinated to State Minister Ersin Faralyali.

State Minister Halit Dagli will be responsible for relations with the parliament. The Supreme Control Council will be subordinated to his ministry. The General Directorate of the Turkey and Middle East Public Administration Institute will be attached to Dagli.

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